



# SAN BRUNO CITY COUNCIL

## REGULAR MEETING

### MINUTES

**June 8, 2004**

**THIS IS TO CERTIFY THAT:**

The San Bruno City Council met in regular session at the San Bruno Senior Center 1555 Crystal Springs Road. The meeting was called to order at 7:00 p.m.

**Mayor Franzella** thanked the **San Bruno Garden Club** for providing the beautiful floral arrangement.

**1. ROLL CALL:** Mayor Franzella presiding with Vice Mayor O'Connell, Councilmembers Pallas, Ruane, and Ibarra in attendance. City Clerk Simon was recording.

**PLEDGE OF ALLEGIANCE:** Led by Assistant City Manager Steve Rogers.

**2. REVIEW OF AGENDA:** No changes were made.

**3. APPROVAL OF MINUTES:** For the regular meeting of May 25, 2004. **Approved as submitted.**

**4. CONSENT CALENDAR:**

- a. Approve: Payroll** of May 21, 2004
- b. Approve: Accounts Payable** of May 17, 2004. (Council Packets only, copy is available for review at the City Clerk's office)
- c. Accept:** Letter of resignation from Ron Fenech Sr. Parks & Recreation Commission member who will be moving out of San Bruno. City Clerk will post "Notice of Vacancy".

**M/S Ibarra/Ruane to approve the Consent Calendar, passed unanimously.**

**5. PUBLIC HEARINGS: (Notices have been published, posted, and mailed)**

**a.** Hold Public Hearing, waive first reading, and introduce Ordinance No. 1693 of the City of San Bruno, which will allow for charging the Water Enterprise Fund a 2% In-Lieu Franchise Fee.

**b.** Hold Public Hearing, waive first reading, and introduce Ordinance No. 1694 of the City of San Bruno which will allow for charging the Wastewater Enterprise Fund a 2% In-Lieu Franchise Fee.

**Mayor Franzella** announced both items a. and b. would be taken together, and asked Finance Director O'Leary to give a brief overview on in lieu fees for both the Water and Wastewater Enterprise Funds.

**Councilmember Ibarra** requested an explanation regarding charging rent for public facilities being used by the Water and Wastewater units.

**Director O'Leary** said no formal action would be taken until the Enterprise Budget is amended and staff will bring this proposal back to the Council in July. We must first determine if additional properties being used by the Enterprise Funds should reimburse for cost of the asset to the General Fund.

**Councilmember Pallas** said we are using "double standards". We need to make the Water and Wastewater Divisions a separate department. We are imposing a Franchise Fee and possibly a rental fee because these units are separate from the General Fund. The City could increase its revenue if we just made them a separate department. This fee does affect their budget and will they still be able to make the repairs and upkeep necessary for good operations?

**City Manager Jackson** said the staff presentation on the rate adjustments would answer many of the questions Councilmembers may have.

**Councilmember Ibarra** said there are restrictions on the utility divisions as to how the money can be used and asked the Finance Director to explain.

**Director O’Leary** said, ratepayers, not the General Fund, support Enterprise Operations. The in-lieu fee is a charge for using the General Fund assets and is an attempt to off-load subsidies to the ratepayer.

**City Attorney Thompson** said there is a specific governmental stature that allows a utility to come into a City and use the Street and Public Right-A-Way. It must be a particular kind of service to allow applying a franchise fee.

**Councilmember Pallas** said we are treating the Water and Wastewater as a private entity but we refuse to make them separate from the Public Works Department.

**Mayor Franzella** opened the public hearing on items a. and b. No one wished to address the Council.

**M/S Ibarra/Ruane** to close the public hearing, passed unanimously.

**M/S Ruane/O’Connell** to waive the first reading, passed unanimously.

**Councilmember Ruane** introduced Ordinance 1693 for adoption, passed by a majority vote, Ayes: **Ruane, Ibarra, O’Connell, and Franzella.** No: **Pallas**, who stated he is voting no because the City has not approved a separate Water/Wastewater Department.

**M/S Ibarra/Ruane** to waive the first reading, passed unanimously.

**Councilmember Ibarra** introduced Ordinance 1694 for adoption, passed by a majority vote, Ayes: **Ibarra, Ruane, O’Connell, and Franzella.** No: **Pallas** for the same reason as before.

c. Hold Public Hearing, waive first reading, and introduce Ordinance No. 1695 of the City of San Bruno adjusting **water rates**. Establishes rates and service charges for water, which represents a 7.4% increase for an average bi-monthly single-family customer.

d. Hold Public Hearing, waive first reading, and introduce Ordinance No. 1696 of the City of San Bruno adjusting **wastewater rates**. Establishes rates, charges, and fees pertaining to wastewater (Sanitary Sewer) service, which represents a 9.5% increase for an average bi-monthly single-family customer.

**Public Works Director** gave an overview of the proposed rate adjustment for both Water and Wastewater. For the first time there will be a differential cost charge to Crystal Springs Terrace Apartments. The rates charged to the City of San Bruno by North Coast County Water District have caused a net loss of \$31,750 to provide service to this customer. San Bruno’s cost have been reduced by approximately \$900,000 per year because of access to well water.

**Councilmember Ibarra** questioned what the new rate would be for Crystal Spring Apartment tenants and if the proposed rate increases of \$5.00 per unit included tonight’s request for an increase in rates?

**Director Munns** responded Ordinance No. 1695 would allow for charging the rate differential charged to the City by North Coast County Water District.

**Councilmember Ibarra** said that San Bruno has been very aggressive in replacing our infrastructure and the citizens and press understands that there is a cost involved. Without well water the bi-monthly cost for water would be in the \$70 range instead of \$60.

**Mayor Franzella** asked for clarification on the Crystal Spring Apartment differential cost.

**Director Munns** said for each 100 cubic feet of water we lose \$1.27.

**Mayor Franzella** said we could be in a dangerous situation if we were going out more than one year on a fixed rate. He would like future ordinances to reflect an escalation clause or an annual review.

**Councilmember Pallas** said we couldn't compare with other Cities that do not have wells. San Francisco charges all customers \$1.10 per unit of water and we are only being charged \$ .35 per unit in order not to pump well water. We are saving close to \$900,000 per year now; and if we had a separate water department, we could be at 90% of our water from wells and we would not have to raise rates or put chloramine in the water. He will be voting no on this rate adjustment.

**Vice Mayor O'Connell** said that San Francisco must pay to replace all the pipes that transport water including well water. We have done a monumental amount of improvements and it must be paid for.

**The Mayor opened the public hearing and asked if anyone wish to address the Council.**

**Ken Dresell**, property manager for the Crystal Springs Terrace Apartments, was representing 430 apartment dwellers affected by these rates. Asked why Crystal Springs did not use San Bruno water lines when it was built. This Ordinance means about a 50% increase in the water bills because they happen to live at Crystal Springs instead of another neighborhood. It would be fair if the \$31,000 were spread equally over all users of water, it would only be a small increase. He requested that the Council not adopt this provision of the Ordinance.

**Vice Mayor O'Connell** asked if tenants are billed based upon consumption?

**Mr. Dresell** replied, there are no meters on the units and after the owners take out an amount for the landscaping and swimming pools the units are billed based upon square footage. He has a water budget of \$60,000 per year and with the \$31,000 and 7% increase it would raise to \$90,000.

**Councilmember Pallas** said why isn't North Coast County Water District being charged a franchise fee?

**Phil Hanes**, Management Analyst, replied we are merely trying to supply the complex and North Coast has no obligation to provide water service.

**Councilmember Pallas** said we might be taken advantage of because when the complex was built there were no water lines built to be connected to San Bruno; but, the City's sewer lines are being used.

**Michael Hector** Apartment Mgr. Crystal Springs Terrace, the current water bill is \$10.00 per month for a studio and \$35.00 for a two-bedroom unit. The average water bill is \$160.00 per year and this increase would add \$74.00 per year. A 50% increase is very large for one year and hopes the Council understands the tenants would appreciate reasonable phasing in of the increase.

**M/S Ruane/Ibarra**, to close the public hearing, passed unanimously.

**Councilmember Ruane introduced Ordinance No. 1695 for adoption. Passed by a majority vote. Ayes: Ruane, Franzella, Ibarra, and O'Connell. No: Pallas.**

**M/S Ruane/O'Connell to waive the first reading on Item 5d, passed unanimously.**

**Councilmember Ruane introduced Ordinance No. 1696 for adoption. Passed by a majority vote. Ayes: Ruane, Franzella, Ibarra, and O'Connell. No: Pallas.**

e. Hold Public Hearing and introduce resolution amending the **Master Fee Schedule**, establishing fees for a variety of municipal services, by City Department.

**Director O'Leary** gave an overview and explained that special services provided to residents should not be subsidized and full cost recovery should be in place. In addition to the 8% increase applied to all

fees for increased salary and benefit costs, several departments have prepared recommendations for new fees or modification to existing fees.

**Councilmember Pallas** asked if an additional fee is charge for the Art & Culture Commission? City Attorney Thompson stated the fee for Art & Culture Commission only applies to the building permits.

**Councilmember Ibarra** asked about the construction permit for single-family construction. Assistant City Manager Rogers said the only one it would apply to is the new Marisol Homes, and it only applies to the plan check review , we normally don't have 100 units being built and this discount should apply since it is the same application.

**Mayor Franzella** said it should be clear that this is for one project, which is submitted at the same time.

**Vice Mayor O'Connell** said that the fee for entertainment and criminal background investigation was \$25.00 and did not even cover the cost; so it is being increased to \$100.00.

**Mayor Franzella opened the public hearing. No one wished to address the Council.**

**M/S Ibarra/Ruane**, to close the public hearing, passed unanimously.

**City Manager Jackson** said that the language regarding construction of single family homes will be clarified so that there will be no confusion on its intent.

**Councilmember Ruane introduced Resolution 2004-27 for adoption. Passed by a majority vote. Ayes: Franzella, Ruane, Ibarra, and O'Connell. No: Pallas.**

**Mayor Franzella** with Council agreement moved item 12. up to accommodate those in the audience.

## **12. REPORT OF COMMISSIONS, BOARDS, & COMMITTEES:**

The Traffic Safety & Parking Committee recommended the City Council approve staff to proceed with program elements associated with the creation of a **Residential Parking Permit District**; and direct the City Attorney to prepare an enabling ordinance for consideration and adoption at a future Council meeting.

**Deputy Public Works Director Merrill Buck** gave an overview of the program for a Residential Parking Permit District for areas nearby transit areas such as BART or Caltrain.

**Mayor Franzella** said he was concerned with a two-year permit because the tenant may move and pass them on and if the new tenants applied there would be more permits than parking available. He suggested that the permits be "permanently" attached to the vehicle and the issuing department would mark the permit with the vehicle license number.

**Councilmember Ibarra** asked what the general feeling of the residents was and what about the cost?

**Vice Mayor O'Connell** requested that the program be reviewed after being in affect for six months.

**Mike Panigiris** 400 block of Huntington Avenue said a number should be on the stickers so we can be aware of which vehicle they belong to. He said the commuters would park in front of his house even if there were an empty Caltrain lot. They just won't pay the \$1.50 parking fee and he feels this will be a great program. With the sporting events, Caltrain is being used even more.

**M/S Pallas/Ibarra, to approve. Passed unanimously.**

**Mayor Franzella** asked when this item would come back for approval.

**City Attorney Thompson** replied the first meeting in July.

## **6. UNFINISHED BUSINESS: None**

**7. CALL FOR, PRESENTATION OF BIDS, and AWARD OF CONTRACTS: None**

**8. COMMUNICATIONS: None**

**9. STAFF REPORTS:**

**Finance Director O’Leary** recommended that the City Council adopt a resolution establishing discounts (reduced rates) for **low-income customers** for City water, wastewater, and garbage utilities and cable television service. He explained, the current program provides a 30% discount on water, wastewater, and garbage charges and 25% on cable television service. The proposal is to have 25% for all City utilities. Income guidelines used to qualify households would be increased to \$41,248 per year.

**Councilmember Ibarra** said that 5% of our residents are currently receiving this discount, which means some 500 households, and we must modify in order to continue to offer this benefit.

**Councilmember Ibarra introduced Resolution 2004-28 for adoption. Passed unanimously by a roll call vote.**

**10. REPORT OF CITY ATTORNEY - RESOLUTIONS & ORDINANCES: None**

**11. PUBLIC COMMENT ON ITEMS NOT ON AGENDA**

**Robert Barnett**, Williams Ave., the new City Manager and City Attorney said they were going to be aggressive with code enforcement. Pedestrians cannot use certain sidewalks because they blocked by vehicles, Police officers are not writing tickets. Gas operated scooters are out of control, they do not stop, are noisy, and should be banned. Parkside Schools students are hanging out at Bayhill Shopping Center and tying up traffic.

**Robert Riechel** of 7<sup>th</sup> Avenue and representative to the Mosquito Abatement District Board of Trustees said he had two tips our citizens can use to help with the control and eradication of mosquitoes.

**Mayor Franzella** requested that the City Clerk put on the Channel 11 Community Message Board the following tips: 1. Refrain from putting paper into the storm drain catch basins as this debris helps retain standing water need for mosquito breeding. 2. Residents who have drums or barrels collecting water need to cover the tops with 24-mesh window screen.

**Item 12 was moved to an earlier position in the agenda.**

**13. NEW BUSINESS:**

**a. City Manager Jackson** recommended City Council, as a member of the LOCAL Coalition, send a letter to Sacramento Legislators for support of and help in passing the **Local Government Budget Package** as released in the May Revise. This is a follow up on previous efforts to protect local revenues. **M/S Ruane/O’Connell** to have letters sent and passed unanimously.

**b. Fire Chief Voreyer** recommended City Council **oppose Assembly Bill 2406 (Bermudez)**. This legislation requires arbitrary unattainable standards for incident reporting and response time for Fire Departments.

**Mayor Franzella** said that this legislation proposes response time less than the JPA has agreed to and most jurisdictions are opposing this bill.

**M/S O’Connell/Ruane, to oppose AB 2406 and passed unanimously.**

**Mayor Franzella** wished Councilmember Pallas a happy 80<sup>th</sup> birthday, which was on June 5th.

**Councilmember Pallas** thanked the Council and staff for the beautiful plant he received at home on Saturday. While it was a happy day he wanted to report some very sad news. His priest, Father Anthony Kosturos, who, had married he and his wife Ruth, passed away. Our 40<sup>th</sup> President Ronald Reagan also

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passed away. Saturday was also the anniversary of “D” Day and we must remember the young men who sacrificed their lives so we may enjoy freedom.

**Vice Mayor O’Connell** reminded the public of the 2004 Eight Annual Beautification Awards. Deadline for submittal will be Friday August 20, 2004; at 5:00 p.m. Applications can be obtained on line on the City’s Web Site or at the Library, Senior Center, or City Clerks office at City Hall.

**Councilmember Ibarra** said with the Posy Parade over the weekend, he must compliment the City workers who cleaned up the park. They did a great job and the City Park looks good every day.

**Mayor Franzella** said the Council is going into closed session but there we be no reportable action.

**CLOSED SESSION :**

(1) Requested by Assistant City Manager Rogers regarding **labor negotiations** with the San Bruno Police Officers Association and San Bruno Public Safety Mid-Management bargaining units. Gov’t Code Section 54957.8.

(2) Requested by City Attorney Thompson to **review anticipated litigation**. Gov’t code Section 54956.9(c.).

**14. ADJOURNMENT:** **Mayor Franzella** requested a moment of silence in memory of

**Father Anthony Kosturos**

a Greek Orthodox priest of 55 years and long time San Bruno resident and also for our 40<sup>th</sup> President

**Former President Ronald Reagan**

With no further business to transact, the meeting was adjourned at 9:21 p.m. to a special City Council Study Session to discuss progress of the Budget Reduction Program and the 2004-05-budget process, on June 15, 2004, at 5:30 p.m. in the Sister City Conference Room at City Hall 567 El Camino Real. Thereafter, meeting will adjourn to the regular City Council meeting, June 22, 2004, at 7:00 p.m. San Bruno Senior Center 1555 Crystal Springs Rd. San Bruno, CA 94066.

**Mayor Franzella** announced that while the study session would not be televised live, it would be taped for replay at a later date.

The foregoing minutes were approved by the San Bruno City Council at a regular meeting held on June 22, 2004.

Respectfully submitted for approval,

Ed Simon, City Clerk

Larry Franzella, Mayor